

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR THE TRANSFER OF	)	
OWNERSHIP OF A & B SANITATION COMPANY,	)	
INC., AND FOR A RATE ADJUSTMENT PURSUANT	)	CASE NO. 10391
TO THE ALTERNATIVE RATE FILING PROCEDURE	)	
FOR SMALL UTILITIES	)	

O R D E R

On September 22, 1988, A & B Sanitation Company, Inc., filed an application for adjustment of rates under Commission Regulation 807 KAR 5:076, the Alternative Rate Procedure for Small Utilities. To qualify for this procedure, a utility must, inter alia, have filed with the Commission fully completed annual reports for the immediate past year and for at least the 2 prior years when the utility has been in business that long.<sup>1</sup>

A & B Sanitation Company is unable to meet this requirement. While its sewage treatment facility has been operating since 1979, A & B Sanitation has not filed an annual report with the Commission since the end of its 1985 calendar year.

Its inability to meet this requirement is in large part due to significant changes in the utility's management since 1986. That year A & B Sanitation Company petitioned for relief under Chapter 7 of the Bankruptcy Code and a trustee was appointed to

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<sup>1</sup> A utility must also have 400 or fewer customers or \$200,000 or less in gross revenues. According to its application, A & B Sanitation Company had 226 customers on the date which its application was filed. In its 1985 Annual Report, it reported gross operating revenues of \$23,491.

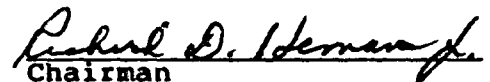
manage the utility. On May 19, 1987, the trustee abandoned the utility's sewage treatment system. In November, 1987, the utility's sole stockholder, Darrel Angle, sold his stock to Bil Darby. This sale was subsequently approved by the Bankruptcy Court on June 29, 1988.

Mr. Darby asserts that he has no records of the utility prior to February 1988, when he began operating the utility's sewage treatment facility. The utility's application confirms that Mr. Darby tried unsuccessfully to recover the utility's records.

Given these facts and the purpose of the Alternative Rate Procedure,<sup>2</sup> the Commission, on its own motion, HEREBY ORDERS that the requirement of Commission Regulation 807 KAR 5:076 for an annual report for the immediate past year to be filed with the Commission be waived in this case and that the review of A & B Sanitation Company's application be based upon its annual report for the 1985 calendar year and its existing records.

Done at Frankfort, Kentucky, this 28th day of October, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

2 The Alternative Rate Procedure is intended to provide a simplified and less expensive procedure for small utilities to apply for rate increases.